

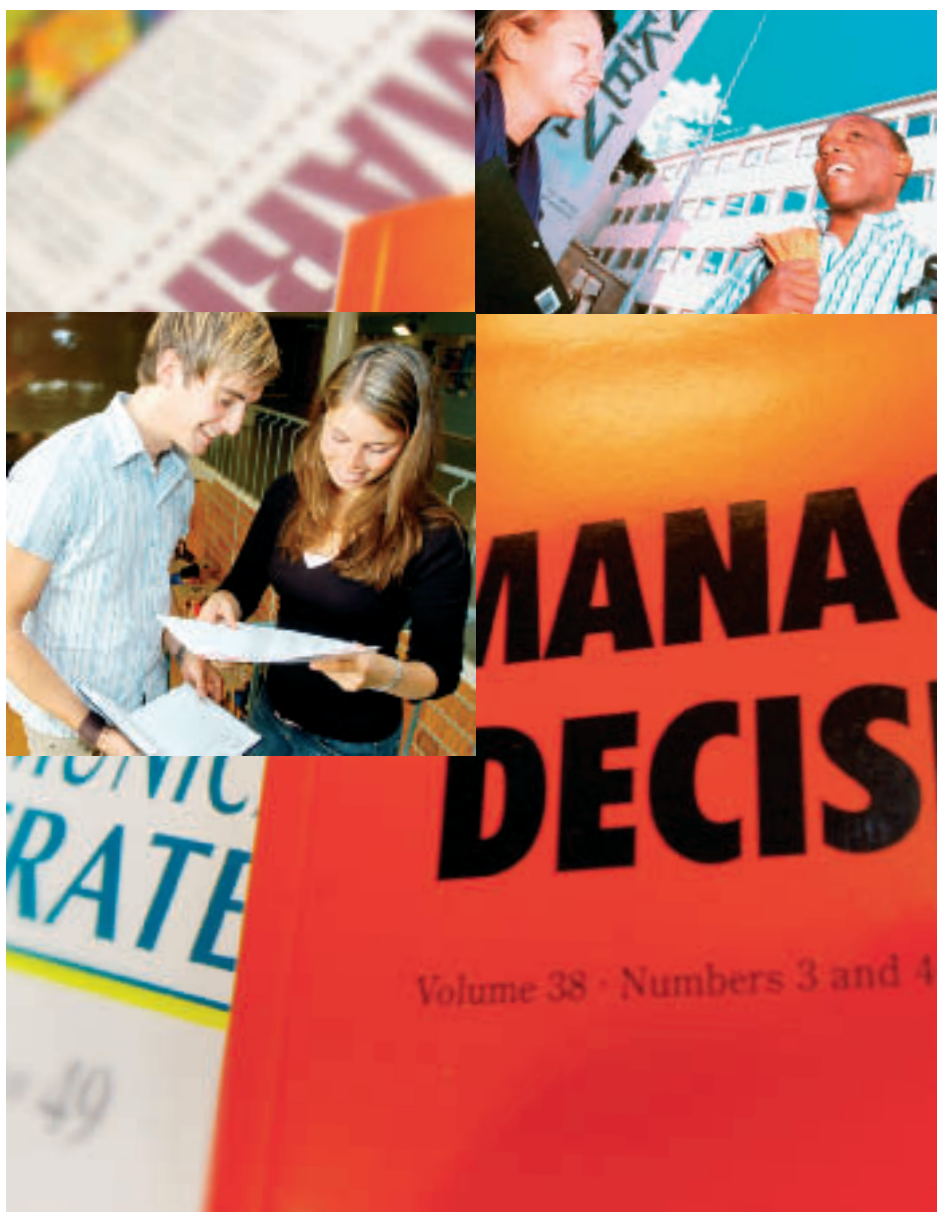
HANKEN

Svenska
handelshögskolan



SWEDISH SCHOOL OF ECONOMICS
AND BUSINESS ADMINISTRATION

ANNUAL REPORT 2005





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2005

AN INNOVATIVE ENVIRONMENT FOR HIGH-QUALITY RESEARCH AND DYNAMIC EDUCATION

The Swedish School of Economics and Business Administration – Hanken – was founded in Helsinki in 1909. Hanken is one of the oldest university-level business schools in the Nordic countries. Since 1980, Hanken has also had an operating unit in Vaasa, which is an integrated part of the university. The unit is of great importance for the business life in its region.

Hanken is a leading academic unit for education and research within economics and business administration. The research operations are internationally respected and build the basis for the degree and research studies as well as post-graduate and executive education.

We have the largest number of international students of all universities in the field in Finland and educate almost one fifth of the graduates in economics and business administration in Finland. Hanken also co-operates actively with the surrounding society. In 2000, Hanken was accredited by EQUIS (European Quality Improvement System), which shows that it fulfils high quality requirements and operates internationally.

During Hanken's almost one hundred years of operation, an extensive network of former Hanken students in different parts of society has been established. We maintain contacts with our alumni through our alumni network, the Hanken magazine, seminars, executive education and different social occasions.

Degrees

• Bachelor of Science	10
• Master of Science	240
• Licentiate degree	2
• Doctoral degree	15

Students (per 20.9.2005)

• for Bachelor's and Master's degrees	2 238
• doctoral students	176

Student exchange within the exchange programme

• Hanken students abroad during the calendar year	126
• Foreign students at Hanken during the calendar year	119

Non-degree studies

• Open University students	460
• participants in executive education	372

Staff

• teaching and research staff	103
• other staff	81
• staff employed with external means	21

Finances (1 000 euros)

• budget financing	12 782
• external financing	2 788

Library in Helsinki & Tritonia*

• size of the collection	
Hanken's library	93 100
Tritonia	196 099
• electronic periodicals	
Hanken's library	5 950
Tritonia	12 600
• e-books	
Hanken's library	30 570
Tritonia	126 000
• loans with renewals	
Hanken's library	66 000
Tritonia	554 625

Premises 14 859 m²

• Helsinki	
Arkadiankatu 22	9 329 m ²
Casa Academica	1 463 m ²
Economicum	120 m ²
• Vaasa	
Kauppapuistikko 2	3 947 m ²

I

* = Hanken's share of Tritonia's operations is 8 %



Marianne Stenius, Rector

A YEAR OF STRONG COMMITMENT

According to our vision, Hanken will by 2015 have consolidated its position as *a leading, accredited university with international appeal*. The year 2005 was an important year for achieving this vision. We obtained the targets that we had together set for our operations notwithstanding the pressure for changes in the Finnish academic community, which was stronger than ever before.

One of the major achievements during the year was our success in engaging a growing number of people in our efforts to reach our common vision. Among the most important groups were the Hanken alumni, our new alliances, the recruitment of new researchers and teachers, our foreign students, and all the people who participated in the EQUIS accreditation process.

We were also able to renew our manner of operating. This was achieved through, e.g. positive experiences from internal management training and new forms of co-operation with business life within the framework of research and development programmes financed by the Finnish Funding Agency for Technology, Tekes. All who have participated in the process have contributed, and will contribute to the improvement of our opportunities to achieve our vision.

Hanken's international character was consolidated in many respects. Our European quality accreditation, EQUIS, was renewed during the year. Hanken also arranged the first Hanken Day together with the alumni, in accordance with international examples. Participation

was active, and we managed to create an unforgettable event for our alumni.

Hanken & IFL Corporate Development was created in co-operation with the Stockholm School of Economics. The aim is to develop executive education of an internationally high standard for corporations.

Hanken was the first university in Finland to introduce the so-called tenure track system. The aim is to recruit and maintain top researchers who have recently taken their doctor's degree and wish to research and educate students for global business and the international research community. The tenure track system will markedly consolidate Hanken's focus on its core areas.

Over several decades, our internationalisation has to a great extent been based on the high-quality language studies that we offer and our students' excellent language skills. This also holds true today. The situation has, however, changed markedly, as the basis of the international nature of Hanken is today much broader than before. This is the basic precondition for success in competition with other leading universities of the world.

We have both the ambition and preconditions for achieving these goals. Hanken can today be grateful for the concrete, strong and in fact unlimited commitment for achieving these goals. This opens a promising future for us.

Marianne Stenius, Rector



HANKEN'S MISSION AND VISION



Hanken's mission

The Swedish School of Economics and Business Administration (Hanken) creates new knowledge in the scientific field of economics and business administration and enhances the level of economic knowledge within business life and society in general. Hanken promotes expertise of an ethically high standard by acknowledging its social responsibility.



Hanken's vision

In 2015, the Swedish School of Economics and Business Administration will have consolidated its position as a leading, accredited university with international appeal and one of the major universities in Europe in its field.

The Swedish School of Economics and Business Administration is responsible for academic studies in Swedish in the field of economics and business administration in Finland. The research operations of the school are of internationally high standard. The graduates have good career opportunities in the internationalising labour market. The research operations and study environment are innovative, and the co-operation with business life and society in general intensive.



Extract from the strategy "Swedish School of Economics and Business Administration 2015 – an international business school", approved by the Board of the Swedish School of Economics and Business Administration on 11 February 2003.

THE YEAR 2005 IN BRIEF

The year 2005 was in many respects a successful year for Hanken's research operations, degree and research education as well as executive education. As a whole, we reached our goals regarding master's degrees, and surpassed the goal regarding doctor's degrees. The external financing of the research operations has developed favourably. Above all the financing provided by Tekes, but the contributions from the Academy of Finland and other external sources as well have increased.

The year, like the previous one, was characterised by active strategy work. The Board approved a language strategy, a strategy for operating premises, and a renewed strategy for the development of Hanken's information environment, eHanken 2006–2010. The Board also confirmed an equality plan, an EQUIS programme of measures, and the principles for the university's areas of strength. Hanken also obtained new Degree Rules in 2005. The Rules on Finances were updated and the administrative guidelines were adjusted due to the establishment of a Business Council in Vaasa.

The financial situation was stable. Hanken's result agreement for the years 2004 to 2006 contains higher targets on master's and doctor's degrees and consequently, increased financing. At the beginning of 2003, a committee that assesses operations of different universities nominated Hanken's Department of Management and Organisation one of the top 20 units in Finland within basic university education during the period 2004 to 2006. This status will remain valid during the years 2007 to 2009.

The number of scientific publications (monographs, articles in different anthologies and journals and conference proceedings as well as Hanken's own publications) numbered 159 in 2005. 105 of these were published abroad and 54 in Finland.

Hanken works continuously in order to maintain the high quality of its research and education. In 2005, we introduced systematic development of the quality of our operations. This work, which is lead and co-ordinated by a Quality Council, will be assessed externally in the autumn of 2006.

The degree reform carried out at Hanken required great efforts of the entire organisation. It is part of the Bologna process, which aims at unifying the structure of academic degrees in the whole of Europe. Hanken had partly a very



Welcome to Hanken Day! Among the contributing alumni were a number of corporate top managers, e.g. Björn Wahlroos, Mikael Lilius and Roger Talermo.

good position in this respect. The master's programmes in English, which were introduced in 1999, have been a success and had an important role in the internationalisation of Hanken's basic degrees. Hanken has the greatest relative number of master's programmes of all Finnish universities. Two new master's programmes were developed in 2005 in co-operation with other universities.

Three vice rectors

For the first time in its history, Hanken nominated three vice rectors instead of two. The new division of work between four persons in the rectorate will make it possible to follow matters pertaining to education and research as well as internationalisation on a broader front. It also makes deeper insight into different areas of interest possible. The rectorate, administrative director and financial manager constitute an unofficial management team.

The first vice rector is professor *Hans Christer Blomqvist* and the second vice rector professor *Sören Kock*. In January 2005, professor *Ingmar Björkman* was elected third vice rector. His term will expire on 31 January 2007.

Hanken's rector *Marianne Stenius* is responsible for the university's operations and development in general, research and education policy, external relations, internationalisation, communications, research operations and research education, quality work, the staff and finances as well as the Council for Information Services and Information Technology (ITR).

Hans Christer Blomqvist has also previously been vice rector, from 1983 to 1987. He feels that the academic world has changed considerably since then. He is responsible for the Council of Education and Research (UFR), the basic education and the quality work carried out at Hanken. He also has a third assignment, i.e. to spread Hanken's research and expert-

ise to the surrounding society.

– The core elements of my third assignment are executive education and the alumni operations. We must above all pay more attention to executive education, says Blomqvist.

He also feels that it is of great importance that Hanken's employees participate in the general economic debate.

Sören Kock is responsible for the campus in Vaasa and the Board of Vaasa. He is also responsible for external relations, matters related to internationalisation and post-graduate and executive education in Vaasa.

– Internationalisation is a great challenge for the Vaasa Campus. We are on our way, but there is still much to be done, he says.

According to Kock, the campus in Vaasa is on the right track. One person has been employed for developing internationalisation, and the internationalisation of the campus is included in the new plan of operation. He emphasises the importance of systematic investments in the relations with companies operating in the region and the alumni.

Ingmar Björkman is responsible for research operations, research education, the MBA programme and internationalisation.

– We must further increase the ambitions of our post-doc researchers. As for research education, it is important to continue with the development of high-class doctoral programmes, including recruitment and selection. We must also offer suitable combinations of courses through both internal co-operation within Hanken and external co-operation with our partners in Finland and abroad. We must guide and support the post-doc careers of our graduates, says Björkman.

EQUIS re-accreditation process

In 2000, Hanken was accredited by EQUIS (European Quality Improvement System), which shows that it fulfils high quality requirements and operates internationally.

Hanken and the Helsinki School of Economics are the only accredited universities in Finland.

During the winter and spring of 2005, Hanken went through an extensive self-assessment in order to renew its EQUIS accreditation. In March, an international team (Peer Review Group) consisting of representatives of business life and universities, visited Hanken in order to assess its operations. The Peer Review Group issued a report to the EQUIS Awarding Body, which decided on a re-accreditation for a period of three years.

The general view was that Hanken functions well, has an efficient organisation and academic and administrative staff that is strongly committed to achieving good research results and maintaining the high quality of the education and student

services. Hanken's strategy is realistic and it has several assets that can contribute to good results. The connection between research and education is strong.

In 2005, the Board approved a programme with the aim of obtaining accreditation for five years in 2008. The EQUIS requirements will form the basis of our development measures during the next few years. The EQUIS assessment also set the development of executive education as one of Hanken's main areas of development. The management wishes to create a more stable and clearer organisation structure and recommends that the individual contacts of teachers with business life be integrated in order to give added value to the university.

Hanken Day was a success

The development of the alumni operations continued according to the guidelines set by the Alumni Council in 2003. 22



Hanken ambassadors were nominated among the alumni. Their task is to further strengthen the contacts between Hanken, the students and business life. The year culminated in the first Hanken Day, arranged on 7 October. About 400 alumni participated in the lectures, workshops and dinner, and the day was a great success.

Among the alumni who contributed to the programme were several corporate executives, like *Björn Wahlroos*, *Mikael Lilius* and *Roger Tälermo*. Björn Wahlroos, CEO of the Sampo Group, and the keynote speaker, was of the opinion that Hanken should be privatised, if it wishes to be competitive in future.

– Neither accreditation nor internationalisation can help Hanken meet future competition. The increase of private resources is an absolute precondition, he stated.

Wahlroos also emphasised the necessity of a debate on how education in the field of economics should be developed so that it would meet future professional requirements.

The questions that Wahlroos raised in his speech were discussed by a panel, which was headed by *Thomas Perret*. The participants were Hanken professors *Ingmar Björkman*, *Eva Liljebloom* and *Tore Strandvik*, and business life was represented by *Mikael Lilius*, CEO, Fortum Corporation, and *Roger Tälermo*, CEO, Amer Sports Corporation.

The panel, among others, discussed Hanken's relation with business life, the education requirements from a business point of view, and the changes that internationalisation will give rise to in the education and structures of Hanken.

All participants felt that Hanken Day can act as a contact forum between business life and research operations.

The day continued with different workshops, which connected research and the practical requirements of business life.



In the evening, about 320 alumni participated in a dinner at restaurant Börs. The following Hanken Day will be arranged on 6 October 2006 in Vaasa.

Co-operation within executive education with IFL

HANKEN & IFL
Corporate Development

During the past few years, Hanken has spread knowledge to business life through Hanken Executive Education, the Levón

Institute and the competence centres, i.e. the departments of the university. In 2005, Hanken concluded a co-operation agreement on executive education with IFL at Stockholm School of Economics. The aim of the co-operation project is to develop and carry out tailored programs for corporate clients that are mainly based in Scandinavia and the Baltic countries.

The operations of Hanken & IFL Corporate Development are lead by a group with Hanken's rector Marianne Stenius as Chairman. The head of the operations is *Outi-Maria Lides* and the academic director is *Wilhelm Barner-Rasmussen*.

– The customers are mainly international companies based in Finland with operations in Scandinavia, the Baltic countries and Russia, where IFL has a strong network, says Wilhelm Barner-Rasmussen.

The operations of the new unit are based on the research and education expertise of both universities in their strongest areas of expertise, i.e. corporate management, marketing and finance. The co-operation combines the strengths of two esteemed academic organisations with a long experience in leadership development at international level.

– The co-operation offers Finnish companies a new and fresh way of looking at leadership development. Hanken & IFL Corporate Development gives added value to its customers by offering the latest results of research with training methods that are specifically developed for corporate management, says Marianne Stenius.

Evli Bank is the first customer of Hanken & IFL Corporate Development.

A Business Council was set up in Vaasa

A new body called the Business Council was appointed in October 2005. It will combine the education offered by Hanken and business life in a new manner. The Council will operate at Hanken in Vaasa.

– The initiative for the council comes directly from business life, and I hope that it will contribute to a dialogue between the parties, says vice rector Sören Kock.

Hanken can offer information from the university and the academic community as a whole. The representatives of business life can, on the other hand, give feedback to Hanken on



Vice rector Sören Kock

its operations, e.g. matters pertaining to efficiency.

– Ideas are presented to representatives of business life and discussed with them, giving them an opportunity to present their opinions. The matters that have been discussed can then be introduced to other internal bodies at Hanken like the management team, says Kock.

Hanken must further develop its contacts with business life, and this is a step in the right direction. According to Sören Kock, this is a form of co-operation that is likely to become more common in future, within other decision-making bodies of Hanken as well.

Business Council at Vaasa Campus during the period 1.10.2005 – 31.12.2007:

Juha Kytölä, Executive Vice President, Wärtsilä Diesel, *Kaj Ericsson*, Managing Director, Harry Schaumans stiftelse, *Kjell Berts*, APA, Ernst & Young, *Pia Simons*, Deputy Managing Director, Simons Element.

Deputy members:

Kaj Rönnlund, Managing Director, Estlander & Rönnlund Group and *Anders Dahlbäck*, Financial Manager, Folkhälsan.

Hanken's representatives:

Kenneth Högholm, professor, *Annika Ravald*, assistant professor, *Tage Vest*, lecturer and *Sören Kock* (Chairman), professor, vice rector.

FOUNDIT – RESEARCH FOR VIRTUAL COLLABORATION WITHIN THE CONSTRUCTION INDUSTRY

Within research operations, a co-operation project called FoundIT was launched in 2005. Researchers at Hanken, Helsinki University of Technology and the Technical Research Centre of Finland, VTT, aim at consolidating basic research and making the education of doctoral students in the area more efficient with emphasis on the use of information technology in the construction sector.

Finnish construction and IT companies have traditionally been in the vanguard of developing IT applications for the construction industry. Applied research has been carried out, above all by VTT, but long-term basic research in the area has been scarce, and there have been very few doctoral students.

In 2005, researchers at Hanken, Helsinki University of Technology and the Technical Research Centre of Finland, VTT, gathered their forces under a research project called FoundIT - 'Taking E-collaboration techniques into productive use in the construction industry'. The project is unique in Finland, and its objective is to enhance the productivity of the construction industry by using an IT-supported virtual collaboration technique.

The introduction of IT is a challenge

Modern construction industry is dependant on information and communication. Construction projects are demanding, as they consist of unique constellations of companies and people. The projects are divided into separate parts due to competition procedures, the use of subcontractors and the various construction phases.

A construction site can often be described as chaotic – it has, e.g. been a challenge to introduce computers to a construction site. The latest technology like handheld computers, wireless Internet, camera phones, etc. can solve many of the problems. But organisational and psychological aspects are still of major importance, as they influence the efficiency of the use of IT systems.

Research has concentrated on the development of new IT systems for the construction industry. FoundIT wishes to alter the focus towards the human aspect, e.g. the introduction of

new IT systems, the functionality of the systems, and the impacts of the organisation.

It is possible to cut down construction costs by increasing the productivity of construction IT systems. Good IT support also makes it easier to prevent shortcomings at the design stage and mistakes in the construction work, which improves the quality of buildings.

Co-operation between several universities

A number of experienced professors and senior researchers, one dozen doctoral students at Hanken, three departments at the Universities of Technology in Helsinki and Tampere and VTT participate in the FoundIT project. The project is headed by research professor *Arto Kiviniemi* at VTT.

VTT, which is one of the leading units in the world within applied research in the area, is an important link in the project. The universities of technology represent expertise in construction technique and architecture as well and information technology. Hanken contributes to questions related to organisations and psychology in connection with the introduction of new IT processes.

The aim of the FoundIT co-operation is to consolidate basic research and create a favourable environment for interested research students. In 2006, the Ministry of Education set up a doctoral school in construction IT. In addition to the fact that the co-operation contributes to a more solid basis of financing, the participants wish to ensure more secure financing in future as well through strong basic research.

Hanken's team

At Hanken, the work is headed by *Bo-Christer Björk*, professor in information systems science at the Department of Management and Organisation.

Björk is one of the leading experts in construction IT. He has previously worked as researcher at VTT and as professor at the Royal Institute of Technology in Stockholm. Over the past 20 years, he has participated in and headed several research projects financed by the Finnish Funding Agency for Technology, Tekes, the Finnish construction industry, the Swedish Research Council and the European Commission.

In addition, two researchers and two visiting professors at Hanken participate in the project. *Mathias Hjelt* has recently completed his master's thesis on the use of an electronic document management system in the Kamppi construction project in Helsinki. *Mats Engsbo* studies the application of advanced information and communications technology in small and medium-sized construction companies, with emphasis on house manufacturers in Ostrobothnia.

The visiting professors, Senior Fellows *Rob Howard* and

FoundIT is part of the major investment of the Academy of Finland in IT in traditional basic industries. The research programme "IT solutions in machine, construction and automation technology" (KITARA) started in 2005 and will continue till 2009. The financing of the KITARA programme totals about 7 million euros. The programme is financed by the Academy of Finland, Tekes, the Ministry of the Environment, the Confederation of Finnish Construction Industries and the Finnish Association of Building Owners and Construction Clients. The budget of FoundIT amounts to 570 000 euros, and it is mainly financed by Tekes.



The visiting professors, Senior Fellows Brian Atkin (left) and Rob Howard (right) participate in the project as instructors. Photo: Bo-Christer Björk.

Brian Atkin participate in the project mostly as instructors. The aim is to strengthen doctoral education with the help of their expertise and to build a solid basis for the doctoral school, which will be set up in 2006 and continue to operate to at least 2009.

Howard and Atkin feel that Finnish scientific work is well organised and disciplined. Both wish to emphasise the importance of serious research, the central role of methodology, and the importance of making questions that increase the level of knowledge.

With a long experience of co-operating with companies in research and development projects, Howard, who is an architect, wishes to emphasise the presentation of the results so that the company can actually take advantage of them in its operations. Atkin, who is a construction engineer and has a long experience of management, emphasises the importance of methodology in the FoundIT project.

The construction project in Kamppi

The first concrete results of FoundIT were related to Finland's largest construction site ever, Kamppi in Helsinki. Mathias Hjelt's thesis 'End-user attitudes towards EDM use in construction projects' was approved in April.

In his master's thesis, Hjelt studied the attitudes of end-users concerning the electronic document management (EDM) system used in Kamppi. He wished to study more closely how different user groups experienced the use of the system and its utility.

The 167 answers to the web-based questionnaire were combined with data on the use of the system, based on transaction log files. In addition, Hjelt conducted a number of interviews with persons who represented different tasks and roles in the project.

The great majority of those who answered the questions felt that EDM gives added value to their work, despite the deficiencies in functionality and extremely extensive amount of

information (17 700 documents in more than 1 700 folders). The study also shows that those who felt that the system was difficult or inefficient to use easily converted to an alternative channel of information. They for example sent documents as e-mail attachments or waited passively for paper drawings that copying companies printed from the system. On the other hand, many felt that the use of parallel information channels was frustrating.

Hjelt's results contain a model that describes the most important factors that must be taken into consideration when new document management systems are presented to users or taken into use. In addition to factors related to the acceptance of technology, the individual characteristics of both the end users and the participating companies should be taken into consideration. Such characteristics are, e.g. the degree of participation in the project, IT experience, the attitude of the corporate management, and support from colleagues.

Hjelt's thesis is an important opening for Hanken's FoundIT team. In addition to offering the first concrete results of the project, it represents such methodological and well construed research work that is the aim of the project as a whole.

FACTS

Research projects

In 2005, the Swedish School of Economics and Business Administration continued to develop and strengthen scientific research, national and international research co-operation as well as research education. The university has primarily concentrated on research in its core areas of expertise, i.e. relationship marketing and service management, finance as well as management and organisation. Below is a list of the major research projects with external financing that were introduced in 2005.

Project	Period
Standards facilitating the integration of construction IT Applications (Academy of Finland)	2005–2006
Measures taken by an organisation in order to prevent bullying at work (Academy of Finland)	2005–2008
FoundIT – Taking E-collaboration techniques into productive use in the construction industry (Tekes)	2005–2008
Opportunities to exploit service models (Tekes)	2005–2008
The BeSel business model (Tekes)	2005–2006
NASTA – A research and training project on female managers (Ministry of Education)	2005–2008
Venture capital: an analysis based on agency theory and the incomplete contract theory (Bank of Finland and the Ministry of Trade and Industry)	2005–2006

WELL PREPARED FOR A REFORM

In 2005, Hanken, like all other universities in Finland, carried out a degree reform. The reform is based on the Bologna process, which aims at unifying the structure of academic degrees in Europe and increasing the mobility of students. Due to its advanced degree of internationalisation, Hanken is well prepared for the increasing competition for master's students.



The first steps towards the degree reform in Finland were already taken in the two previous years. The necessary amendments to the University Act and, above all, a new decree on academic degrees were enacted. On the basis of the decree, Hanken started its preparations for new Degree Rules, which were approved by Hanken's Board in June. The reform became effective on 1 August, and the first students introduced studies according to the new model.

The major difference between the old and new system is the fact that the new system contains a separate bachelor's and master's degree. In the old system, the student could take the bachelor's degree as a voluntary lower degree, while the bachelor's degree becomes compulsory in the new system.

Tove Ahlskog, director of Hanken's Office of Student Affairs, says that for most students, the systems do not in practice differ from each other markedly, provided that the student takes both degrees at the same university and with the same major subject. The new system, however, opens possibilities for new forms of studies. For example persons who have graduated from commercial polytechnics or who have a bachelor's degree from some other domestic or foreign university can now take their master's degree at Hanken.

Imaginary reform

The standard length of the studies continues to be three years for the bachelor's degree and another two years for the master's degree. The competence that the degrees give is the same as before, but the contents of the studies are defined in a different manner. The old credit units will be replaced by ECTS credits. The "old" master's degree consisted of 160 credits, while a student studying according to the new system will first take the bachelor's degree, comprising 180 credits, and then

the master's degree, which requires 120 additional credits.

The new graduates will hardly be more "learned" than the old ones. The contents of all the courses have been thoroughly analysed, and some of them give more credits in the new system. Some courses have been upgraded from the lower to higher degree level, and in some cases, three new courses have been created from two old ones.

Tove Ahlskog is, however, a little worried about the fact that two fifths of the overall studies must be taken during the last two years, whereas the corresponding share was one fourth in the old system. On the other hand, she believes that future students will cut down the number of extra courses. At the moment, an average master's degree at Hanken comprises 170 "old" credits.

Four periods

In connection with the degree reform, Hanken has also altered the division of studies into periods. The academic year is now divided into four periods, two per term. The aim is to minimise the number of overlapping courses and make it easier to combine courses in one's own schedule.

Hanken also tries to find new models for the guidance and planning of studies. The Ministry of Education requires, for example, that universities make sure that students draw up individual study plans. The national target is, despite the reform,



Ahlskog feels that the whole educational environment will profit from the fact that the students build a more heterogeneous group. Besides, this development is consistent with Hanken's internationalisation strategy, increased transparency and free competition.

In the autumn of 2006, Hanken in Vaasa will set up a new programme in English, Strategic Entrepreneurship, as a Scandinavian co-operation project. One of Hanken's first master's programmes is reintroduced after one year's pause as a common programme in Real Estate Investment and Finance in co-operation with Helsinki University of Technology.



to cut down the length of academic studies, on average, so that highly educated people enter the labour market more rapidly than before.

The teachers at Hanken have been worried about the increasing work load due to the reform, as the reform does not bring any additional resources. It has also been difficult to assess the scope of the new master's degree.

The students have, on the other hand, been very calm about the reform. There will be a period of transition of three years, and most of the students are likely to be able to complete their studies according to the system they have started with. The new division into periods has, however, caused some irritation, as it also makes the exam periods more intensive.

Increased mobility

The introduction of the compulsory lower degree makes it impossible to predict how many of the student will continue after having taken the bachelor's degree and how many of them will continue at Hanken.

Tove Ahlskog assumes that most of the students will, like before, continue with a higher degree at the same university where they have taken their bachelor's degree. She is, however, convinced that the mobility of students taking their master's degree will increase, which is, according to her, mainly a positive thing.

She says that the interest in Hanken's master's programme in English shows that Hanken will have enough applicants in future as well. It is very likely that Hanken will be able to maintain the present volume at master's level, but partly with other types of students than before. Ahlskog feels that the whole educational environment will profit from the fact that the students build a more heterogeneous group. The teachers at Hanken also feel that it is more interesting to teach mixed groups.

Besides, this development is, according to Ahlskog, consistent with Hanken's internationalisation strategy, increased transparency and free competition.

Hanken's strengths

In the competition for master's students, the master's programme in English, which was introduced already before the reform, is a clear strength for Hanken. The first three programmes were introduced in 1999, one of them at Hanken in Vaasa. The programmes, which used to take one year, have given Hanken a good head start in internationalisation.

Both the programmes and internationalisation have continued. The number of programmes has increased, and they now take two years, in accordance with the new degree requirements. Mostly owing to these programmes, Hanken is the most international university in the country, according to the number of foreign degree students.

Great interest from foreign students

The choice of the contents of the master's programmes in English is of major importance for Hanken. Hanken has mainly focused on its areas of strength, i.e. finance, management and organisation as well as relationship marketing and service management.

In 2005, new students were admitted to four master's programmes in English: Advanced Financial Information Systems, Computational Finance, Corporate Governance, and Marketing. The number of applicants was a little over 300, and about 70 of them were admitted. The popularity of the programmes varies from year to year. In 2005, Corporate Governance was the clearly most popular programme.

According to *Alexandra Ohls*, Planning Officer, the international demand for such study programmes is great. One of the reasons is that university education is becoming a major business in many parts of the world. This can be seen in the number of applicants, which increases every year.

Of the persons who we admitted to the master's programmes, 42 per cent had a domestic background, but no less than 70 per cent of the applicants were foreign. There were applicants from 42 different countries, many of them from China, Ghana, Cameroon, Nigeria and Pakistan.

There are many reasons for this. In many countries, education of this type is scarce. A master's degree taken at Hanken, for example, is a clear competitive advantage in the labour market of many countries. Another reason for the popularity is the fact that Finnish universities do not charge any fees from their students.

Alexandra Ohls also wishes to emphasise the fact that many students come to Hanken, as they expect education of a specific type. Hanken has a very good reputation. The mas-

ter's programmes in English have established themselves and become well-known in the global academic world. The courses have a clear international dimension, which is why they also attract domestic students aiming at an international career.

New programmes are being planned

In the autumn of 2006, Hanken will offer six master's programmes in English. Another two programmes are being planned, and they are likely to be introduced in the autumn of 2007.

Building a new programme requires extensive work. It may take a few years from the original idea to the beginning of the actual programme. The idea is often presented by a professor or a group of professors, and the department in question will be responsible for designing the programme. The Office of Student Affairs will prepare proposals for new programmes for internal handling by Hanken's Council of Education and Research and the Board. All new master's programmes must be approved by the Ministry of Education and included in the decree on the master's programmes of universities.



Applicants and admitted students for the master's programmes in English in 2005		
	Applicants	Admitted students
Advanced Financial Information Systems	72	24
Computational Finance *	38	9
Corporate Governance	116	20
Marketing	82	14

* The programme is offered by Hanken in Vaasa, the three others in Helsinki.





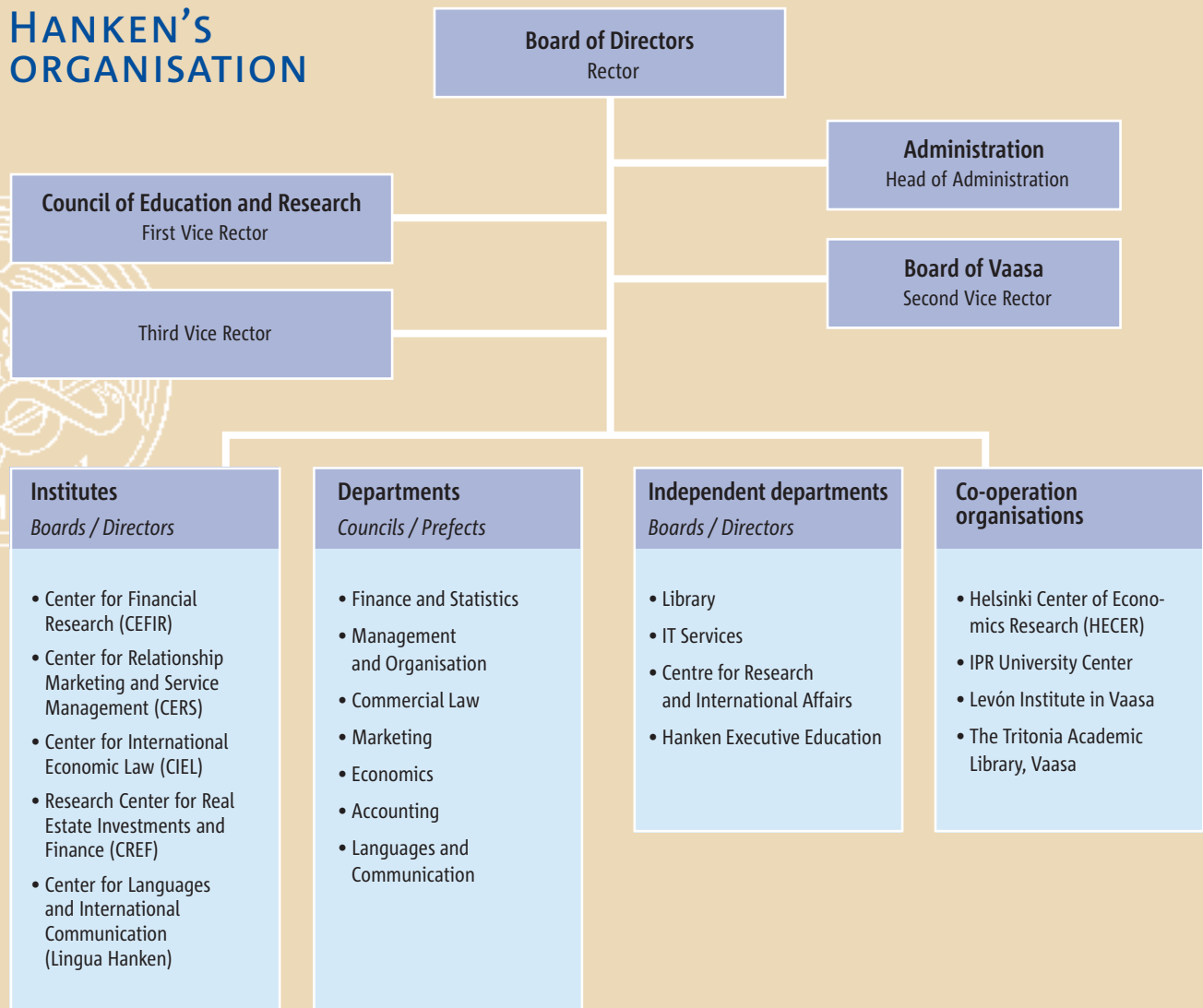
Helsinki campus



Vaasa campus



HANKEN'S ORGANISATION



HANKEN'S DEPARTMENTS

• Department of Finance and Statistics

Head of Department: *Eva Liljebloom*, professor

Staff

6 professors
3 lecturers
3 assistant professors
2 assistants

Degrees taken

3 doctoral degrees
1 licentiate degree
64 master's degrees
3 bachelor's degrees

Credits

8 452

Publications

76

• Department of Management and Organisation

Head of Department: *Ingmar Björkman*, professor

Staff

8 professors
1 lecturer
4,5 assistant professors
0,5 visiting teacher, full-time

Degrees taken

9 doctoral degrees
1 licentiate degree
40 master's degrees
2 bachelor's degrees

Credits

9 200

Publications

73

The Department of Management and Organisation comprises the following subjects: management and organisation, entrepreneurship and management, information system science, and political science.

• Department of Marketing

Head of Department: *Veronica Liljander*, professor

Staff

6,7 professors
1 lecturer
5,5 assistant professors
1 assistant

Degrees taken

3 doctoral degrees
76 master's degrees
3 bachelor's degrees

Credits

9 751

Publications

73

• Department of Commercial Law

Head of Department: *Niklas Bruun*, professor

Staff

3,3 professors
1,35 lecturers
1 assistant professor
1 assistant

Degrees taken

17 master's degrees
1 bachelor's degree

Credits

3 200

Publications

29

• Department of Economics

Head of Department: *Staffan Ringbom*, lecturer

Staff

3 professors
1 lecturer
1 assistant

Degrees taken

8 master's degrees

Credits

2 680

Publications

9

• Department of Accounting

Head of Department:
Anders Tallberg, acting professor

Staff

5 professors
3,65 lecturers
1 assistant

Degrees taken

35 master's degrees
1 bachelor's degree

Credits

5 658

Publications

5

• Department of Languages and Communication

Head of Department: *Åsa Forsman*, lecturer

Staff

1 professor
22,3 lecturers

Credits

7 463

Publications

8

Offices on 21 September 2005, not including vacant offices.

STATISTICS 2005

Degree and research education

Applicants and students admitted to basic degree education as well as students who started their studies 2004–2005

Applicants	2004	2005
Through entrance examination	606 *)	615 *)
Open University	9	8
Open University, at least 50 credits	10	4
At least 60 credits of academic studies	27	– **)
MTM	1	0
Advanced Financial Information Systems	41	72
Computational Finance	29	38
Corporate Governance	35	116
Marketing in Cyberspace/Interactive Marketing/Marketing	29	82
Real Estate Finance	16	– **)
Studies in major subject in English	104	– **)
<i>Total</i>	<i>907</i>	<i>935</i>
Admitted students	2004	2005
Through entrance examination	309	310
Open University	7	6
Open University, at least 50 credits	6	4
At least 60 credits of academic studies	10	– **)
MTM	1	0
Advanced Financial Information Systems	23	24
Computational Finance	20	9
Corporate Governance	18	20
Marketing in Cyberspace/Interactive Marketing/Marketing	6	14
Real Estate Finance	8	– **)
Studies in major subject in English	25	– **)
<i>Total</i>	<i>433</i>	<i>387</i>
Students who started their studies	2004	2005
Through entrance examination	272	280
Open University	5	6
Open University, at least 50 credits	5	3
At least 60 credits of academic studies	9	– **)
MTM	1	0
Advanced Financial Information Systems	17	15
Computational Finance	12	5
Corporate Governance	14	15
Marketing in Cyberspace/Interactive Marketing/Marketing	2	11
Real Estate Finance	2	– **)
Studies in major subject in English	17	– **)
<i>Total</i>	<i>356</i>	<i>335</i>

Number of enrolled students, 20 September 2005

	Helsinki	Vaasa	Total
Student for bachelor's and master's degrees	1756	482	2238
Doctoral students	144	32	176
<i>Degree students, total</i>	<i>1900</i>	<i>514</i>	<i>2414</i>

Degrees taken according to major subject 2005

	Helsinki	Vaasa	Total
Doctoral degrees			
Finance	3	–	3
Entrepreneurship and Management	1	1	2
Management and Organisation	5	1	6
Marketing	2	–	2
Information Systems Science	1	–	1
Supply Chain Management and Corporate Geography	1	–	1
<i>Total</i>	<i>13</i>	<i>2</i>	<i>15</i>
Licentiate degrees			
Finance	1	–	1
Entrepreneurship and Management	1	–	1
<i>Total</i>	<i>2</i>	<i>0</i>	<i>2</i>
Master's degrees			
Finance	42	22	64
Management and Organisation	28	–	28
Entrepreneurship and Management	2	8	10
Political Science	1	–	1
Information Systems Science	1	–	1
Marketing	49	22	71
Supply Chain Management and Corporate Geography	5	–	5
Commercial Law	13	4	17
Economics	8	–	8
Accounting	28	7	35
Statistics	–	–	0
<i>Total</i>	<i>177</i>	<i>63</i>	<i>240</i>
Bachelor's degrees			
Finance	3	–	3
Management and Organisation	1	–	1
Political Science	1	–	1
Marketing	2	1	3
Accounting	1	–	1
Commercial Law	1	–	1
<i>Total</i>	<i>9</i>	<i>1</i>	<i>10</i>

*) Since 2004, Hanken uses a common entrance examination for the campuses in Helsinki and Vaasa, which means that an applicant may apply to both locations. The number is the number of applicants who have entered the location as the preferred alternative.

**) No admission in 2005.



Staff

Teaching and research	Helsinki	Vaasa
Professors	24	10
Assistant professors	5	7
Assistants	4	1
Lecturers	24	8
Visiting teachers, full-time	1	0
Doctoral students	3	0
Doctoral students, researcher school	8	2
Associate staff	4	0
Researchers	0	0
Other	2	0
Docents	0	0
	75	28
Other staff	Helsinki	Vaasa
IT staff	8	3
Library staff	9	2
Service staff	4	1
Administrative staff	50	4
	71	10
Staff employed with external financing	Helsinki	Vaasa
Administrative staff	5	1
Associate staff	3	0
Doctoral students	7	0
Researchers	3	1
Lecturers	1	0
	19	2
TOTAL STAFF	165	40

Only vacant and full-time offices have been taken into consideration as of 31 December 2005.



Financing

Financial statements 2005

The financial statements for 2005 are presented as a restructured income statement, which shows that the result is positive and that the indisposed assets brought forward have increased.

<i>Income statement (Euros)</i>	<i>1.1–31.12.2005</i>	<i>1.1–31.12.2004</i>
Operating income	2 704 358	3 007 080
External income	2 704 358	3 007 080
Obtained assets		
Operating assets	12 714 000	12 103 000
Academy of Finland, budget account	397 060	589 323
Ministry of Finance, value-added tax account	781 347	750 498
Other budget accounts	65 000	255 661
Obtained assets, total	13 957 407	13 698 482
Operating income, total	16 661 765	16 705 563
Materials, supplies and goods	–445 796	–370 879
Personnel expenses	–10 011 778	–9 904 958
Rents	–2 001 970	–1 943 650
Purchased services	–1 334 663	–1 165 528
Other expenses	–660 209	–746 448
Expenses of the library, etc.	–429 973	–354 124
Paid value-added taxes	–800 917	–786 585
Scholarships	–330 382	–352 411
Depreciation	–354 375	–385 601
Operating expenses, total	–16 370 061	–16 010 182
Operating result	291 703	695 380
Financial income and expenses	3 196	2 392
Elimination of pass-through financial items	–3 831	–5 610
Result for the financial period	291 068	692 163
Profit brought forward	–2 135 575	–2 794 976
Profit for previous periods	2 794 976	1 918 078
Surplus/deficit for the financial period	–49 531	–184 735

PUBLICATIONS OF THE SWEDISH SCHOOL OF ECONOMICS AND BUSINESS ADMINISTRATION



Economics and Society – Doctoral dissertations 2005

- Nr 140 *Teemu Kokko*: Offering Development in the Restaurant Sector – A Comparison between Customer Perceptions and Management Beliefs. Helsinki 2005. 224 pages and appendix.
- Nr 141 *Bernard Ben Sita*: Essays on the Role of Time in Price Discovery. Helsinki 2005. 114 pages.
- Nr 142 *Martin Fougère*: Sensemaking in the Third Space – Essays on French-Finnish Bicultural Experiences in Organizations and Their Narratives. Helsinki 2005. 188 pages and appendix.
- Nr 143 *Pernilla Gripenberg*: ICT and the Shaping of Society: Exploring Human – ICT Relationships in Everyday Life. Helsinki 2005. 167 pages.
- Nr 144 *Tua Haldin-Herrgård*: Hur höra tyst kunskap? Utveckling av en metod för studier av tyst kunskande. Helsinki 2005. 185 pages.
- Nr 145 *Sari Salojärvi*: Increasing Knowledge Focus – A Means for Entrepreneurs to Remain on the Growth Path. Essays on the Role and Nature of Knowledge Management in Finnish SMEs. Helsinki 2005. 182 pages.
- Nr 146 *Marjut Jyrkinen*: The Organisation of Policy Meets the Commercialisation of Sex. Global Linkages, Policies, Technologies. Helsinki 2005. 302 pages.
- Nr 147 *Henri Mänttari*: Short-Term Behavior and the Effect of Foreign Investors in Finnish Equity Markets. Helsinki 2005. 266 pages.
- Nr 148 *Mia Örndahl*: Stories of Survival. Knowledge Intensive Organizations and the Finnish 1990s Recession. Helsinki 2005. 177 pages.
- Nr 149 *Olga Karakozova*: Modelling and Forecasting Property Rents and Returns. Helsinki 2005. 135 pages.
- Nr 150 *Tomi Hussi*: Essays on Managing Knowledge and Work Related Wellbeing. Helsinki 2005. 173 pages.
- Nr 151 *Patrik Paetau*: On the Benefits and Problems of the Object-Oriented Paradigm Including a Finnish Study. Helsinki 2005. 294 pages.
- Nr 152 *Maqsood Sandhu*: Managing Project Business Development: An Inter-Organizational and Intra-Organizational Perspective. Helsinki 2005. 172 pages.
- Nr 153 *Jonas Spohr*: Essays on Earnings Management. Helsinki 2005. 121 pages.
- Nr 154 *Solja Paganus*: Finnish Business Repatriates' Coping Strategies. Helsinki 2005. 208 pages.

HANKEN'S DECISION-MAKING BODIES

Hanken's management

Rector: *Marianne Stenius*, D.Soc.Sc, professor

First Vice Rector: *Hans Christer Blomqvist*, DSc (Econ), professor

Second Vice Rector: *Sören Kock*, DSc (Econ), professor

Third Vice Rector: *Ingmar Björkman*, DSc (Econ), professor

Head of Administration: *Mauno Lindroos*, LL.Lic.

Board of Directors, 31 December 2005

Chairman: *Marianne Stenius*, professor, rector

Deputy Chairman: *Hans Christer Blomqvist*, professor, vice rector

Secretary: *Mauno Lindroos*, LL.Lic, Head of Administration

Members:

Sören Kock, professor, second vice rector

Ingmar Björkman, professor, third vice rector

Anders Löflund, professor

Martin Lindell, professor

Kai Ahola, MSc (Econ), lecturer

Alexandra Ohls, MA, planning officer

Annika Raval, doctoral student, assistant professor

Ib Löfgren, student

Alexander Wörlund, student

External members:

Henrik Andersin, Managing Director

Stig-Erik Bergström, DSc (Econ)

Council of Education and Research, 31 December 2005

Chairman: *Hans Christer Blomqvist*, professor, vice rector

Deputy Chairman: *Sören Kock*, professor, second vice rector

Secretary: *Tove Ahlskog*, Office Director

Prefects and deputy prefects:

Staffan Ringbom, DSc (Econ), lecturer

Veronica Liljander, professor

Ingmar Björkman, professor, third vice rector

Niklas Bruun, professor

Eva Liljebloom, professor

Anders Tallberg, acting professor

Åsa Forsman, MA, lecturer

Representatives of the professors:

Christian Grönroos, professor

Eero Vaara, professor

Representatives of other teachers, researchers and other staff:

Tua Haldin-Herrgård, MSc (Econ), assistant professor

Susanna Taimitarha, MSc (Econ), lecturer

Pia Pölsa, DSc (Econ), assistant professor (acting)

Student representatives:

Alexander Wörlund, student

Oscar Taimitarha, student

Board of Vaasa, 31 December 2005

Chairman:

Sören Kock, professor, second vice rector

Professors:

Peter Björk, professor

Petri Mäntysaari, professor

Other teachers, researchers and other staff:

Benny Jern, DSc (Econ), assistant professor

Mårta Båsk, Lic.Phil, lecturer

Birgitta Pasto, BSc (Econ), secretary of Study Affairs

Students:

Helena Perätalo, student

Pia-Christina Knif Sund, student

Fellowships 2005

In 2005, 11 senior fellows and 1 junior fellow stayed at Hanken within the frames of the Fellowship Programme.

Senior Fellows

John Glaskock

Gregory Koutmos

James Kolari

Timo Teräsvirta

Mats Forsgren

Jeff Hearn

Brian Atkin

Rob Howard

Bo Edvardsson

Anette Kur

Thomas Gehrig

Junior Fellows

Andriy Andreev

Subject

Finance

Finance

Finance

Statistics

Management and Organisation

Management and Organisation

Information Systems Science

Information Systems Science

Marketing

Commercial Law

Economics

Subject

Statistics

Alumni Council, 31 December 2005

Chairman:

Philip Aminoff, MSc (Econ)

Patrik Hertsberg, MSc (Econ)

Anders Dahlbäck, MSc (Econ)

Kathe Ramm-Schmidt, MSc (Econ)

Erika Ingman, MSc (Econ)

Catharina Fant, MSc (Econ)

William Börman, student

Secretary: *Towa Sundström*, MSc (Econ)



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